

LOVE A CHILD, INC.

Financial Statements

December 31, 2008 and 2007

(with Independent Auditors'
Report thereon)

LOVE A CHILD, INC.

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Independent Auditors' Report

To the Board of Directors of
Love A Child, Inc.

We have audited the accompanying statements of financial position of Love A Child, Inc. (a not for profit organization) (the "Organization") as of December 31, 2008 and 2007, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Love A Child, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Dixon Hughes PLLC

Raleigh, North Carolina
June 29, 2009

LOVE A CHILD, INC.

Statements of Financial Position

December 31, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 286,692	\$ 210,097
Restricted cash	14,376	14,376
Investments	52,454	89,824
Property and equipment, net	3,867,389	3,848,396
Deposits	47,925	47,925
Other assets	17,594	-
Land held for investment	<u>151,000</u>	<u>151,000</u>
Total assets	<u>\$ 4,437,430</u>	<u>\$ 4,361,618</u>
 <u>Liabilities and Net Assets</u> 		
Liabilities:		
Accounts payable and accrued expenses	\$ 159,521	\$ 167,576
Refundable advance	10,000	10,000
Missionary support	4,376	4,376
Capital lease obligations	88,112	89,214
Line of credit	-	45,812
Notes payable	<u>44,979</u>	<u>95,844</u>
Total liabilities	<u>306,988</u>	<u>412,822</u>
Net assets:		
Unrestricted	3,691,308	3,475,962
Temporarily restricted	<u>439,134</u>	<u>472,834</u>
Total net assets	<u>4,130,442</u>	<u>3,948,796</u>
Total liabilities and net assets	<u>\$ 4,437,430</u>	<u>\$ 4,361,618</u>

The accompanying notes are an integral part of these financial statements.

LOVE A CHILD, INC.

Statements of Activities

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Unrestricted revenues and gains:		
Contributions	\$ 6,012,048	\$ 5,061,559
In-kind contributions	19,226,465	16,082,296
Investment income	2,357	4,547
Unrealized gain (loss) on investments	(34,948)	1,673
Miscellaneous income	<u>169,003</u>	<u>126,881</u>
Total unrestricted revenues and gains	25,374,925	21,276,956
 Net assets released from restrictions:		
Satisfaction of program restrictions	<u>387,352</u>	<u>599,070</u>
Total unrestricted revenues, gains and other support	<u>25,762,277</u>	<u>21,876,026</u>
 Expenses:		
Program services:		
Humanitarian	<u>23,396,125</u>	<u>19,843,412</u>
Supporting services:		
Management and general	1,190,349	1,089,876
Fundraising	<u>960,457</u>	<u>1,008,310</u>
Total supporting services	<u>2,150,806</u>	<u>2,098,186</u>
Total expenses	<u>25,546,931</u>	<u>21,941,598</u>
Increase(decrease) in unrestricted net assets	<u>215,346</u>	<u>(65,572)</u>
 Temporarily restricted net assets:		
Contributions	353,652	621,934
Net assets released from restrictions	<u>(387,352)</u>	<u>(599,070)</u>
Increase (decrease) in temporarily restricted net assets	<u>(33,700)</u>	<u>22,864</u>
Change in net assets	181,646	(42,708)
Net assets at beginning of year	<u>3,948,796</u>	<u>3,991,504</u>
Net assets at end of year	<u>\$ 4,130,442</u>	<u>\$ 3,948,796</u>

The accompanying notes are an integral part of these financial statements.

LOVE A CHILD, INC.

Statements of Functional Expenses

For the Years Ended December 31, 2008 and 2007

	2008				
	Program Services	Supporting Services			Total Expenses
	Humanitarian	Management	Fundraising	Total	
Contributed food and supplies	\$ 19,168,980	\$ -	\$ -	\$ -	\$ 19,168,980
Compensation	913,475	418,743	-	418,743	1,332,218
Contract labor	94,713	155,286	-	155,286	249,999
Fringe benefits	62,109	76,271	-	76,271	138,380
Payroll taxes	52,076	31,651	-	31,651	83,727
Communication	58,819	15,383	-	15,383	74,202
Consulting and design	10,243	89	10,442	10,531	20,774
Rent	179,981	49,909	-	49,909	229,890
Supplies	87,642	48,478	-	48,478	136,120
Shipping and freight	516,427	10,995	-	10,995	527,422
Churches/schools/childcare	713,666	-	-	-	713,666
TV ministry	314,138	-	732,987	732,987	1,047,125
Other ministries	60,960	-	-	-	60,960
Utilities	109,890	4,515	-	4,515	114,405
Insurance	24,996	18,013	-	18,013	43,009
Vehicle maintenance	47,015	-	-	-	47,015
Travel and lodging	186,711	8,167	-	8,167	194,878
Postage	69,142	-	69,142	69,142	138,284
Dues and subscriptions	-	4,651	-	4,651	4,651
Advertising	-	11,656	-	11,656	11,656
Equipment lease	-	44,732	-	44,732	44,732
Interest expense	-	18,539	-	18,539	18,539
Printing	131,773	-	131,773	131,773	263,546
Professional--accounting	-	60,461	-	60,461	60,461
Professional--legal	-	43,637	-	43,637	43,637
Bank charges	1,481	15,131	-	15,131	16,612
Credit card processing fees	25,720	12,103	-	12,103	37,823
Taxes and licenses	22,386	5,956	-	5,956	28,342
Depreciation	424,624	54,106	-	54,106	478,730
Building cleaning and maintenance	119,158	57,153	-	57,153	176,311
Miscellaneous	-	7,354	-	7,354	7,354
Gain on disposal of assets	-	(900)	-	(900)	(900)
Promotional events	-	16,113	16,113	32,226	32,226
Education/seminars	-	2,157	-	2,157	2,157
Total expenses	<u>\$ 23,396,125</u>	<u>\$ 1,190,349</u>	<u>\$ 960,457</u>	<u>\$ 2,150,806</u>	<u>\$ 25,546,931</u>

The accompanying notes are an integral part of these financial statements.

LOVE A CHILD, INC.

Statements of Functional Expenses (Continued)

For the Years Ended December 31, 2008 and 2007

	2007				Total Expenses
	Program Services	Supporting Services			
	Humanitarian	Management	Fundraising	Total	
Contributed food and supplies	\$ 16,034,690	\$ -	\$ -	\$ -	\$ 16,034,690
Compensation	878,366	352,427	-	352,427	1,230,793
Contract labor	81,546	107,764	140,529	248,293	329,839
Fringe benefits	74,536	41,101	-	41,101	115,637
Payroll taxes	54,564	27,878	-	27,878	82,442
Communication	48,777	15,033	-	15,033	63,810
Consulting and design	15,716	-	36,670	36,670	52,386
Rent	188,532	91,693	708	92,401	280,933
Supplies	68,986	37,085	-	37,085	106,071
Shipping and freight	344,785	19,784	-	19,784	364,569
Churches/schools/childcare	580,434	-	-	-	580,434
TV ministry	268,155	-	625,694	625,694	893,849
Other ministries	54,062	-	-	-	54,062
Utilities	74,688	6,937	51	6,988	81,676
Insurance	24,099	18,113	-	18,113	42,212
Vehicle maintenance	47,089	8,741	-	8,741	55,830
Travel and lodging	157,420	7,922	-	7,922	165,342
Postage	82,501	-	82,501	82,501	165,002
Dues and subscriptions	-	3,666	-	3,666	3,666
Advertising	-	9,413	-	9,413	9,413
Equipment lease	-	45,094	-	45,094	45,094
Interest expense	-	11,756	-	11,756	11,756
Printing	137,892	15,735	122,157	137,892	275,784
Professional--accounting	-	65,460	-	65,460	65,460
Professional--legal	-	15,583	-	15,583	15,583
Bank charges	3,164	45,351	-	45,351	48,515
Credit card processing fees	22,251	10,471	-	10,471	32,722
Taxes and licenses	19,171	7,664	-	7,664	26,835
Depreciation	405,625	28,955	-	28,955	434,580
Building cleaning and maintenance	113,775	47,612	-	47,612	161,387
Miscellaneous	878	4,978	-	4,978	5,856
Loss on disposal of assets	58,831	33,026	-	33,026	91,857
Promotional events	2,879	2,879	-	2,879	5,758
Education/seminars	-	7,755	-	7,755	7,755
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 19,843,412</u>	<u>\$ 1,089,876</u>	<u>\$ 1,008,310</u>	<u>\$ 2,098,186</u>	<u>\$ 21,941,598</u>

LOVE A CHILD, INC.

Statements of Cash Flows

For the Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 181,646	\$ (42,708)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	478,730	434,580
Non-operating in-kind contributions	(57,485)	(3,000)
Contributions restricted for construction	(353,652)	(621,934)
Unrealized (gain) loss on investments	34,948	(1,673)
(Gain) loss on disposal of equipment	(900)	91,857
Contributed investments	-	(44,607)
Net change in:		
Other assets and deposits	-	4,251
Accounts payable	<u>(8,055)</u>	<u>(32,542)</u>
Net cash provided (used) by operating activities	<u>275,232</u>	<u>(215,776)</u>
Cash flows from investing activities:		
Proceeds from sale of property and equipment	3,700	300
Purchase of property and equipment	<u>(442,781)</u>	<u>(449,900)</u>
Net cash used by investing activities	<u>(439,081)</u>	<u>(449,600)</u>
Cash flows from financing activities:		
Principal payments on capital leases	(16,531)	(3,712)
Principal payments on note payable	(50,865)	(2,166)
Net change in line of credit	(45,812)	(1,780)
Proceeds from contributions restricted for construction	<u>353,652</u>	<u>621,934</u>
Net cash provided by financing activities	<u>240,444</u>	<u>614,276</u>
Increase (decrease) in cash and cash equivalents	76,595	(51,100)
Cash and cash equivalents at beginning of year	<u>210,097</u>	<u>261,197</u>
Cash and cash equivalents at end of year	<u>\$ 286,692</u>	<u>\$ 210,097</u>
Supplemental disclosures of cash flow information:		
Cash paid for interest	<u>\$ 18,539</u>	<u>\$ 11,756</u>
Contributed property and equipment	<u>\$ 39,891</u>	<u>\$ 3,000</u>
Contributed investments	<u>\$ -</u>	<u>\$ 44,607</u>
Contributed gold coins included in other assets	<u>\$ 17,594</u>	<u>\$ -</u>
Equipment acquired by capital lease	<u>\$ 15,429</u>	<u>\$ 92,926</u>

The accompanying notes are an integral part of these financial statements.

LOVE A CHILD, INC.

Notes to Financial Statements

December 31, 2008 and 2007

1. **Summary of Significant Accounting Policies**

Love A Child, Inc. (the “Organization”) exists to support needy individuals, primarily children, through humanitarian care such as medical and education services, child support programs, orphanages, volunteer work programs, feeding programs and various other projects. The Organization is supported through contributions from the general public. The Organization offers the following programs:

- Child Care/Food Program
- Medical Crusades
- Education
- USA Church Crusades

Basis of Accounting and Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and other support and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment - Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Acquisitions of property and equipment in excess of \$5,000 in the United States and \$5,000 in Haiti are capitalized. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Contributions - All contributions are available for unrestricted use unless specifically restricted by the donor. Restricted contributions received in the same year the donor's restriction is met are recorded as unrestricted contributions. Conditional promises to give are recognized when the conditions on which they depend are met. Unconditional promises to give due in the next year, are recorded at their net realizable value. Unconditional promises to give due in subsequent years, are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received. In 2008 and 2007, there were no conditional or unconditional promises to give.

In-kind contributions consist of food, clothes, medical supplies, equipment and services. These contributions are recorded at fair value when received.

Income Taxes - The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Financial Accounting Standards Board ("FASB") Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*" ("FIN 48") was issued in 2006 and clarifies the accounting for the recognition and measurement of uncertainties in income taxes for all entities, including not-for-profits.

In accordance with FASB Staff Position No. FIN 48-3, "*Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*", the Organization has elected to defer application of the provisions of FIN 48 as of and for the year ended December 31, 2008. Should uncertain tax positions exist, the Organization would account for these in accordance with the principles of Statement of Financial Accounting Standards No. 5, "*Accounting for Contingencies*," under which liabilities for uncertain tax positions are recognized in the financial statements when it becomes probable a liability has been incurred and the amount can be reasonably estimated. The Organization is currently evaluating the provisions of FIN 48 and its impact on the financial statements.

Cash and Cash Equivalents - Cash and cash equivalents include checking and money market accounts. The Organization considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Functional Allocation of Expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among program and supporting services. Salaries and other expenses associated with a specific program are charged directly to that program while salaries that benefit more than one program are allocated to the various programs based on management's estimates of how time was spent. Other expenses that benefit more than one program are allocated by use of such methods as floor space usage and salary percentages as appropriate.

Restricted Cash – Restricted cash is cash set aside for the refundable advance and missionary support. Restricted cash for the refundable advance is related to the refundable advance described in Note 10. Restricted cash for the missionary support are funds held on behalf of a former employee for a mission trip to Haiti.

Fair Value Measurements - Statement of Financial Accounting Standards No. 157 ("SFAS 157") was issued in 2006 and defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosure about fair value measurements. FASB approved a one year deferral of the adoption of SFAS 157 as it related to non-financial assets and liabilities measured at fair value on a non-recurring basis with the issuance in February 2008 of FASB Staff Position FAS 157-2, "Effective Date of FASB Statement No. 157", as a result of which implementation is now required for the year ending December 31, 2009. The partial adoption of SFAS 157 in 2008 had no material impact on the financial condition, results of operations or cash flows. The Organization is in the process of evaluating SFAS 157 as it relates to non-financial assets and liabilities but does not believe it will have a material impact in the consolidated financial statements.

2. **Investments**

Investments are carried at fair value. Investments at December 31 are summarized as follows:

	<u>2008</u>	<u>2007</u>
Investment securities:		
Marketable equity securities	\$ <u>52,454</u>	\$ <u>89,824</u>

Investment income of \$2,357 and \$4,547 during 2008 and 2007, respectively, consists of unrestricted interest income and dividends.

Unrealized gains (losses) on investments amounted to \$(34,948) and \$1,673 during 2008 and 2007, respectively.

3. Fair Values of Assets and Liabilities

The Organization has adopted the provisions of SFAS 157 in 2008 for its financial assets and liabilities. Although having partially adopted SFAS 157 has had no material impact on financial condition, results of operations or cash flows, the Organization is now required to provide additional disclosures. SFAS 157 clarifies that fair value is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

- Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury, other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party services for similar or comparable assets or liabilities.
- Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or brokered traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Prices for equity securities and mutual funds are readily available in the active markets in which those securities are traded, and the resulting fair values are categorized as Level 1. There were no changes during 2008 to the Organization's valuation techniques used to measure asset and liability fair values on a recurring basis.

The following table sets forth, by level within SFAS 157's fair value hierarchy, the Organization's financial assets and liabilities accounted for at fair value on a recurring basis as of December 31, 2008. As required by SFAS 157, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels. The table below presents the balances of assets and liabilities measured at fair value on a recurring basis.

	December 31, 2008			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Marketable equity securities	\$ <u>52,454</u>	\$ <u>52,454</u>	\$ <u>-</u>	\$ <u>-</u>

4. **Land Held for Investment**

The Organization has received land as contributions from donors and also purchased land in the prior year. These assets are recorded at fair value at the date of the gift.

Land held for investment at December 31 is comprised of the following:

	<u>2008</u>	<u>2007</u>
Land - Florida	\$ 1,000	\$ 1,000
Land - Trenton, Florida	<u>150,000</u>	<u>150,000</u>
	\$ <u>151,000</u>	\$ <u>151,000</u>

5. **Property and Equipment**

Property and equipment include the following at December 31:

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$ 431,065	\$ 341,196
Vehicles	285,025	300,525
Land	705,700	705,700
Land improvements	368,177	368,177
Buildings	3,011,423	2,530,134
Building improvements	142,254	129,440
Leasehold improvements	98,113	98,113
Construction in progress	<u>879,308</u>	<u>967,257</u>
	5,921,065	5,440,542
Less accumulated depreciation	<u>2,053,676</u>	<u>1,592,146</u>
Property and equipment, net	\$ <u>3,867,389</u>	\$ <u>3,848,396</u>

Depreciation expense for the years ending December 31, 2008 and 2007, was \$478,730 and \$434,580, respectively. Construction in progress consists of various building projects such as a malnutrition center, solar system, and radio station. There are no firm commitments or contracts in place for the construction of these projects.

6. Line of Credit, Notes Payable, and Capital Lease Obligation

The Organization has a line of credit of \$50,000, payable on demand, with a balance of \$- and \$45,812 at December 31, 2008 and 2007, respectively. Payment terms include monthly interest payments until paid in full. The line of credit is unsecured and bears interest at the prime rate and does not have scheduled renewal date.

During 2006, the Organization purchased land held for investment by paying cash of \$50,000 and issuing a note payable in the amount of \$100,000, payable in monthly installments of \$868, including interest at 8.5%, with a lump sum payment due July 2008 of \$50,000. Additionally, a new monthly payment of \$418, including interest at 8.5%, began in August 2008 with a balloon payment due January 2011.

Future maturities of the note payable are as follows:

2009	\$ 1,226
2010	1,334
2011	<u>42,419</u>
	<u>\$ 44,979</u>

The Organization entered into capital lease agreements for equipment during 2007 and 2008. The agreements call for monthly payments of \$2,080 for 60 months at 12.5% interest and \$571 for 36 months at 20.4% interest, respectively. Following is the future minimum lease payments:

2009	\$ 31,812
2010	31,812
2011	25,531
2012	<u>18,720</u>
	107,875
Less interest	<u>(19,763)</u>
	<u>\$ 88,112</u>

The net book value of the leased equipment at December 31, 2007 and December 31, 2008 was \$88,279 and \$74,798 respectively.

7. Operating Leases

The Organization is obligated under non-cancelable operating leases for certain administrative facilities and equipment. Most of the leases include options for renewal at the end of the current lease term. Total rent expense for 2008 and 2007 was \$274,622 and \$326,027, respectively.

The following is a schedule by year of future minimum lease payments as of December 31, 2008:

2009	\$ 274,667
2010	281,251
2011	149,642
2012	4,284
2013	4,284
Thereafter	<u>357</u>
	<u>\$ 714,485</u>

8. Concentrations of Credit Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America, consist primarily of bank accounts with balances in excess of amounts insured by the Federal Deposit Insurance Corporation.

The Organization receives in-kind contributions from various organizations which consist primarily of seeds, vitamins, medicines, and labor related to the enhancement of the Organization's mission. The Organization receives the majority of its in-kind contributions from World Outreach, Inc. World Outreach, Inc. provided approximately \$16,250,000 and \$15,124,000 of in-kind contributions during 2008 and 2007, respectively.

9. Foreign Operations

The Organization conducts humanitarian and other program operations in Haiti and has property and equipment, with a net book value of approximately \$2,781,000 located in Haiti. The Organization's revenues are from sources within the United States and it maintains its bank accounts in the United States. Account balances relating to foreign operations are reflected in the financial statements in United States dollars.

10. Refundable Advance

In 2000, the Organization received an advance of \$10,000 restricted for the education of an individual in Haiti. Should the individual fail, refuse, or be unable to attend an appropriate school, this money will revert to the Organization to be used as it deems appropriate. Since this amount does not meet the criteria for revenue recognition under SFAS No. 116, it has not been reflected as a contribution in the statement of activities.

11. Donated Services and Materials

The Organization receives donated services from a variety of unpaid volunteers. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Donated services and materials for the years ended December 31 are summarized as follows:

	<u>2008</u>	<u>2007</u>
Equipment	\$ 39,891	\$ 3,000
Clothes, food and medicine	19,168,980	16,034,689
Marketable securities	-	44,607
Other assets	<u>17,594</u>	<u>-</u>
Total	<u>\$ 19,226,465</u>	<u>\$ 16,082,296</u>

12. Temporarily Restricted Net Assets

Temporarily restricted net assets consist of contributions restricted for the following for the years ended December 31:

	<u>2008</u>	<u>2007</u>
Medical clinic	\$ 439,134	\$ 291,769
Food distribution	-	162,725
Radio station	<u>-</u>	<u>18,340</u>
Total	<u>\$ 439,134</u>	<u>\$ 472,834</u>

13. Joint Activities Disclosures

During the years ended December 31, 2008 and 2007, the Organization incurred \$1,047,125 and \$893,849, respectively, of costs related to production of television programming. The joint costs related to this activity that have been allocated among functional expenses are as follows:

	<u>2008</u>	<u>2007</u>
Program services	\$ 314,138	\$ 268,155
Fundraising	<u>732,987</u>	<u>625,694</u>
	<u>\$ 1,047,125</u>	<u>\$ 893,849</u>